

Agenda Item	<b>6.c</b>
Report No	<b>RES/14/22</b>

## THE HIGHLAND COUNCIL

**Committee:** Corporate Resources Committee

**Date:** 8 September 2022

**Report Title:** Performance & Governance - Revenue and Performance Final Outturn 2021-2022; and Monitoring to Q1 – 01 April 2022 to 30 June 2022

**Report By:** Executive Chief Officer, Performance & Governance

### 1. Purpose/Executive Summary

- 1.1 This report and appendices comment on the Performance and Governance final outturn for the financial year 2021-22; the Quarter 1 revenue monitoring position for 2022/23; and the status of the Directorate's savings target for the same period. Information on the main revenue budget variances is included in the main body of the report along with relevant performance data and contextual information as outlined in the Directorate Service Plan. Bringing together revenue and performance into a single monitoring report supports financial governance, informs decision making, and enables improvement actions to be identified. This approach is intended to strengthen Member scrutiny and improve accessibility for a wider audience including the public.
- 1.2 **Appendix 1** shows the Performance and Governance final outturn for 2021-22. An underspend of £0.156m was achieved against an annual budget of £5.192m. All savings were achieved.
- 1.3 **Appendices 2 and 3** shows the net and gross revenue budget position for the first Quarter of 2022/23, with a total Directorate net budget of £5.317m, of which the Members' budget is £1.702m. Expenditure to date is £1.744m, or 33%; with a predicted end of year underspend of (£0.057m). The Directorate savings targets, totalling £0.259 are set out in **Appendix 4**.
- 1.4 The performance information contained within this report includes the Local Government Benchmarking Framework (LGBF) indicators the Council uses as Statutory Performance Indicators (SPIs) for the Directorate and local key performance indicators where data is available quarterly. Annually Quarter 1 reports to Committee report performance outcomes for the previous financial year against target. Trend information will also be provided to evidence areas of strong performance and those requiring improvement.

## 2. Recommendations

### 2.1 Members are asked to:

- i. Consider the 2021/22 final outturn position for the Directorate;
- ii. consider the revenue monitoring position for the period 01 April 2022 to 30 June 2022;
- iii. note that the Directorate is on track to deliver all approved savings by the end of the financial year;
- iv. scrutinise the Directorate's performance information.

## 3. Implications

3.1 **Resource:** The 2022/23 net budget of £5.317m available to the Performance & Governance Directorate is around 0.8% of the general fund for the totality of the Council's Services. The Performance & Governance Directorate has a staffing establishment of circa 132 FTEs. Corporate Governance, Legal Services, Democratic Services, Licensing, Elections, Internal Audit & Fraud, Corporate Performance & Risk Management, Information Management, Corporate Communications and Resilience, Policy, Climate Change and Energy, Gaelic Development and Trading Standards are key responsibilities of the Directorate.

3.2 **Legal:** Implications relate to meeting statutory requirements for public performance reporting (PPR) and the statutory duty of Best Value. These require the Council to provide balanced and transparent information which informs the public on Council performance and how public money is used.

3.3 **Risk:** Risks are still largely Covid related and impact on income targets and some aspects of Performance and Governance Directorate's service delivery priorities.

3.4 **Community (Equality, Poverty and Rural), Climate Change/Carbon Clever and Gaelic:** There are no implications arising as a direct result of this report. However, it should be noted that the Directorate has a strategic role in the delivery of the Council's Gaelic Language Plan and the Council's Climate Change and Energy priorities.

## 4. Performance & Governance Directorate Revenue Budget 2021/22 – Final Out-turn

4.1 **Appendix 1** shows the final out-turn position for the Performance & Governance Directorate revenue budget for the period 1 April 2021 to 31 March 2022. The total budget was £5.192m with £5.036m spent by the end of the financial year, resulting in an underspend of £0.156m. This equates to 3% of the total budget.

4.2 The Service had predicted there would be an underspend by the year end at the meeting of the Corporate Resources Committee in January 2022. As anticipated, the final underspend is attributable to:

- reductions in travel, accommodation and subsistence, particularly in the Members' budget, as a consequence of COVID-19;
- vacancies across the Directorate largely in relation to time taken to complete the recruitment process; and

- salary underspends in the Members' budget for vacancies in 4 wards across the year (wards 3, 11, 13, and 21);

These underspends more than offset pressures elsewhere in the Service budget.

- 4.3 The accuracy of the predicted full year position demonstrates that budget managers within the Service have a strong grasp of the factors influencing income and expenditure against their individual budgets which have been highlighted to Members at previous Committees.

## **5. Performance & Governance Directorate Revenue Budget 2022/23 – Quarter 1 Monitoring**

- 5.1 **Appendix 2 and 3** to this report provide the net and gross monitoring statements showing actual expenditure and the estimated year-end outturn against the Service budget for Quarter 1 as at 30 June 2022. The Directorate is showing an outturn of £5.260m against a net annual budget of £5.317m, representing an underspend of £0.57m. Of this, the Members' budget comprises £1.732m and this is showing predicted £0.030m overspend.

- 5.2 The Directorate savings targets totalling £0.259m are set out in **Appendix 4** and these are all currently all on track with full delivery expected by the end of the year.

## **6. Quarter 1 Monitoring variances**

- 6.1 This section of the report provides more detail on the main variances contributing to the overall Directorate underspend detailed in the monitoring statements at **Appendices 2 and 3** to this report.

- 6.2 The Members' budget is showing a small predicted overspend which is largely attributable to the costs arising from the establishment of the new Council: the delivery of training and induction; a significant increase in travel and accommodation charges; and new ICT and office accommodation requirements all result in higher than budgeted expenditure. The Members' budget has returned sizeable underspends to the Council's reserves in recent years that more than offset the current anticipated overspend. However, the Directorate will aim to offset this pressure by managing expenditure cross all of the budget lines to deliver a balanced budget by the year end.

- 6.3 The Directorate line is showing a pressure of £0.042m which represents current unallocated Service savings. These are on track to be achieved by the year end and will be set against the appropriate service headings as the savings are delivered. This will steadily reduce the figure currently showing as an overspend in the Directorate line to achieve a balanced budget by the end of the year.

- 6.4 The pressures in the budget are more than offset by underspends elsewhere across the Directorate and these are primarily due to vacancies. Some are in the process of being recruited to whilst others will be set against the staffing savings target to ensure full delivery of

the Directorate savings by the end of the year. **Appendix 4** provides a detailed breakdown of the Directorate Savings.

## **7. Performance Information**

7.1 As described in section 1 of this report, a single report containing both revenue and performance information has several benefits. The following paragraphs provide performance information for the Directorate and provide an interim position as the Council's new Programme and Corporate Plan are developed resulting in a new Directorate Service Plan by the end of 2022. With the support and guidance of the Corporate Performance Team, use of the Performance and Risk Management System (PRMS) for reporting will continue to be developed support Service performance review by Committee and the Chief Executive. The Directorate's performance framework will continue to be strengthened to improve reporting to Committee. To support this, work the Directorate has in place a business partner model within the Corporate Performance Team which will provide resources to support all Services to improve performance management and reporting. The Directorate's Draft Service Plan is being considered in a separate paper to this Committee; once the draft is approved a Service Plan performance dashboard will be provided to future meetings to give an overview of key performance indicators and actions. It should be noted that in some cases Quarter 1 data is not yet available and so Quarter 4 (2021/22) data is being reported below.

### **7.2 Directorate - Payment of Invoices**

These indicators measure the Council's efficiency of paying invoices and analyses the number of invoices paid within 10 days and 30 days of receipt as a percentage of all invoices paid. The Directorate is consistently making a positive contribution to achieving corporate targets, noting that invoices paid within 30 days is a Council Statutory Performance Indicator (SPI). Current available data for Q1 2022/23 is outlined below:

- Q1 2022/23 for invoices paid within 10 days the Directorate paid 85.0% against a target of 77% compared to 63.5% for the Council overall.
- Q1 2022/23 for invoices paid within 30 days the Directorate paid 97.8% against a target of 95% and compared to 93.6% for the Council overall.

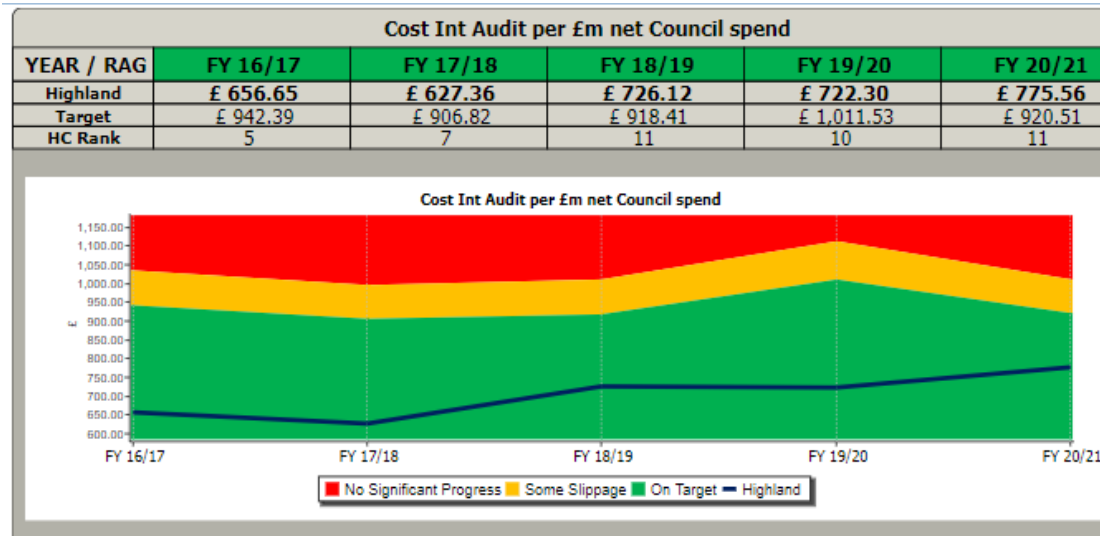
### **7.3 Directorate Sickness Absence**

The indicator for staff sickness absence is a nationally benchmarked indicator and it is important that all managers focus on effective absence management in order to support staff, maintain productivity and contribute to the Council's overall benchmarked performance. Data for quarter 1 shows an absence rate of 0.65 days lost per employee compared to 2.45 for the Council overall. It should be noted that the Service consistently performs well against the corporate targets set for the Council.

### **7.4 Internal Audit – Cost of Internal Audit per £m net Council spend**

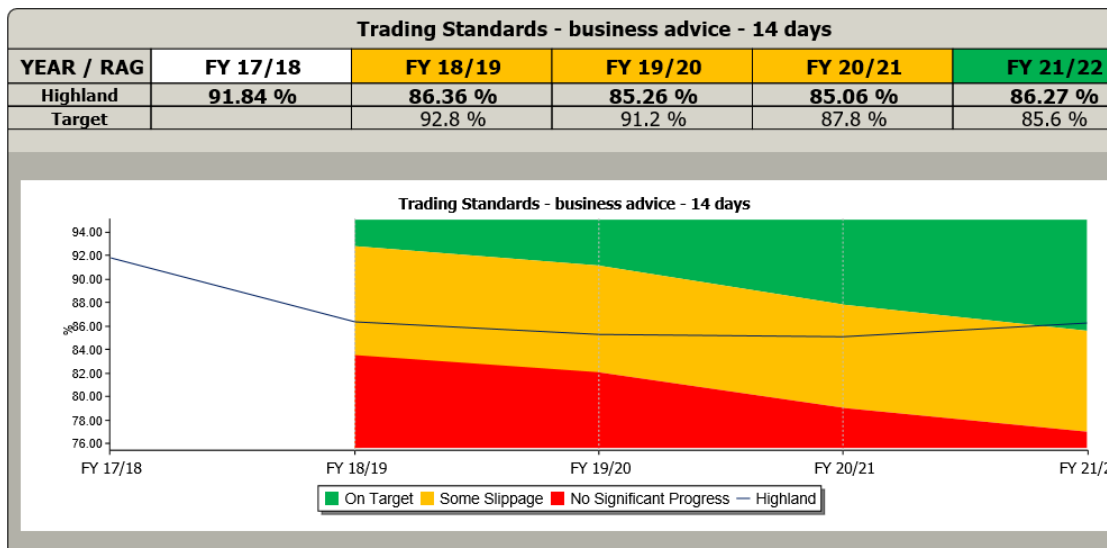
The performance of the Internal Audit Team is monitored and benchmarked through a Chartered Institute of Public Finance and Accountancy (CIPFA) indicator on the cost of the team. Data verification has been slower than normal as reported to last Committee but the CIPFA verification and benchmark has now been completed and is detailed below for 2020/21. The

cost of the team is consistently below the benchmark target to perform better than the national average with Highland at £775.56 per £m spend compared to a national average of £1015.26. The rank order position for Highland remains within the range of 5<sup>th</sup> -11<sup>th</sup> nationally. Data for 2021/22 is expected to be available nationally by December 2022.



## 7.5 Trading Standards

There is an annual local performance indicator (LPI) which measures the time taken to conclude business advice requests, in particular those completed within 14 days. It does not measure the quality of advice given and as advised to last Committee, this LPI is under review to ensure that it is robust and up to date. The Society of Chief Officers of Trading Standards in Scotland (SCOTSS) is working with APSE on a new set of measures and it is anticipated that in the next few months these will be ready for consideration as LFI's for Highland.

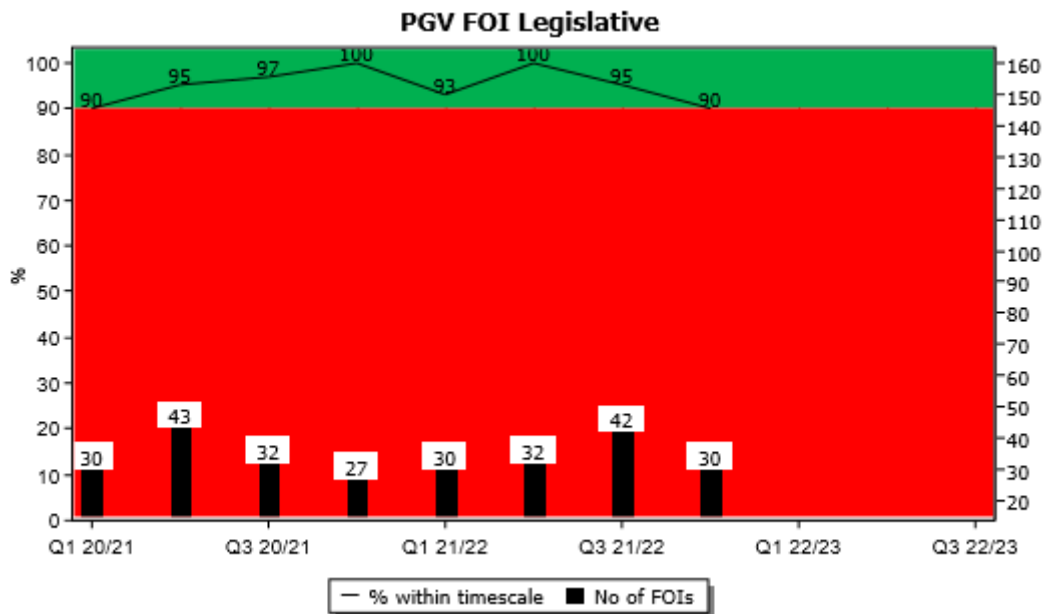


## 7.6 Directorate Complaints Response Times

The Council has just migrated to a new complaint management system and it is anticipated that more detailed business intelligence on complaints performance and analysis of complaint type will be developed over the course of this year for reporting to Committee. Focus will be on the core indicators of response times within 5 days or 20 days, however for Q1 2022/23 there were no complaints for the Directorate.

### 7.7 Directorate Freedom of Information (FOI) Response Times

The Directorate continues to perform well in meeting its targets for the management of FOI requests with this indicator a focus for the Council for corporate improvement. Data for Q4, 2021/22 there were 30 requests with 90% addressed within the required timescale against a target to achieve a minimum of 90% against a Council average of 76%.


















### 7.8 Delivery of the Gaelic Language Plan
















A performance report on the delivery of the Gaelic Language Plan (GLP) is provided in detail to the Gaelic Committee quarterly with the last report on 1 September 2022 reporting Q1 outcomes. This reported continued overall good progress across the 6 themes of the plan as outlined below with electronic briefing book and dashboard also available.

Action Status	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23
On Target	107	105	105	98
Slippage	5	7	5	12
No Significant Progress	0	0	0	0
Completed	14	14	16	16
<b>TOTAL</b>	<b>126</b>	<b>126</b>	<b>126</b>	<b>126</b>

2021/22 Q1 Dashboard snapshot across GLP themes

Theme 1 - Gaelic in the Home, Early Learning and Childcare Q1 22/23		Theme 2 - Gaelic in the Community Q1 22/23		Theme 3 - Gaelic in Education Q1 22/23	
 completed to date	0	 completed to date	1	 completed to date	10
	4		10		42
	2		5		0
	0		0		0
	0		0		0

Theme 4 - Gaelic in the Arts, Culture and Heritage Q1 22/23		Theme 5 - Gaelic in the Workplace Q1 22/23		Theme 6 - The Social, Economic and Cultural Value of Gaelic Q1 22/23	
 completed to date	3	 completed to date	1	 completed to date	1
	15		15		12
	0		4		1
	0		0		0
	0		0		0

Purple – completed, Green – On target, Amber – Some slippage, Red – No significant progress, Blue – No update available.

The full performance update report is available [here](#)

## 7.9 **Climate Change**

From August 2021 the Directorate has taken on the corporate lead for Climate Change. As a critical priority for the Council the development of eight thematic workstreams have been identified under the Net Zero Strategy and approved by Council. The Net Zero Strategy group and newly established Climate Change Committee will ensure oversight of the thematic group action plans and provide the delivery and scrutiny mechanism for the Council's net zero action plan, ensuring a holistic approach cross cutting all Council operations and services. The delivery of an encompassing action plan will identify the key objectives and targets against which progress will be measured and reported in the Directorate Service Plan and to Committee.

Within the Council's Corporate Plan there is one key performance indicator (KPI) for CO2 Emissions, against current targets this indicator is performing well. It should be noted that an increase in emissions is expected in 2022, attributed to a return to normal operation following the hiatus attributed to Covid-19. Moving forward more stretching and focused targets will be set as identified within the net zero action plan. In November the Council will be required to provide more detailed reporting on its carbon emissions and set realistic dates for achieving net zero.

## 7.10 **Corporate Communications**

The Corporate Communication Team is responsible for ensuring that the Council effectively communicates with and informs the public. One important route to achieve this is using social media and the Team monitor

the effectiveness of social media with increasing engagement demonstrated along with strong national benchmarking positions.

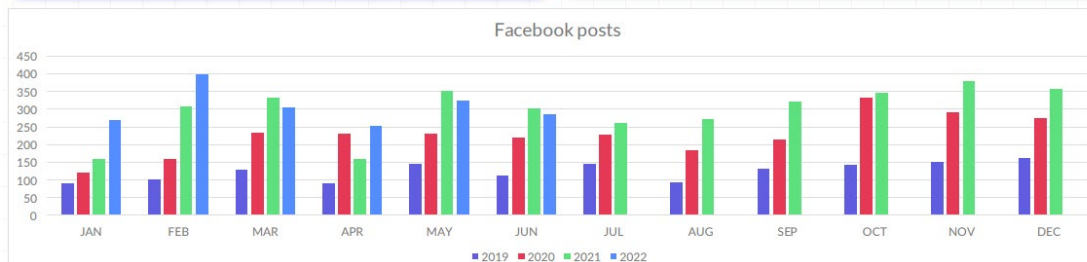
Facebook for Q1 showed there were 32,382 followers, an increase this quarter of 933, with 865 posts and posts shared 6,232 times. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council rank remained 7<sup>th</sup>.

## Social Dashboard – Facebook Headlines

Summary of Facebook data – April to June 2022

Reach

<b>Average increase in new users following us on Facebook is 11%</b>	<b>1 Overnight short stay carparking</b> <span style="float: right;"><b>129,250</b> <small>Posted 30 May 2022</small></span>
<b>Q1 2022 vs Q4 2021 engagement is down slightly</b>	<b>2 Cleaning of Commando Memorial, Spean Bridge</b> <span style="float: right;"><b>77,061</b> <small>Posted 3 May 2022</small></span>
<b>Q1 2022 sentiment remains neutral &gt; positive</b>	<b>3 Limited parking – Morar to Arisaig coastal route</b> <span style="float: right;"><b>48,840</b> <small>Posted 2 June 2022</small></span>



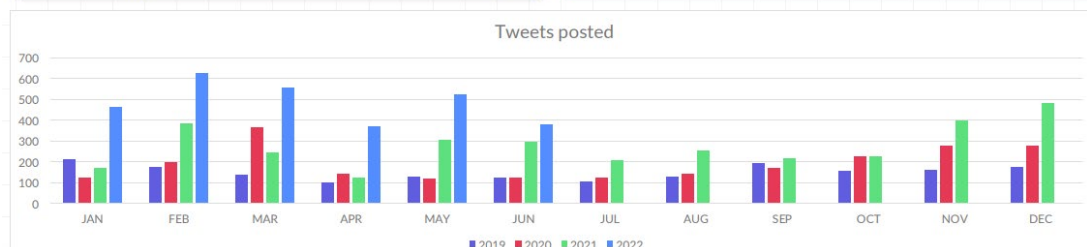
There are 29,483 Twitter followers and a further increase of 409 in Q1. The table below provides a summary including the top 3 posts of most interest to the public. National social media ranking shows the Council is ranked 10<sup>th</sup> for Twitter (up from 11<sup>th</sup>).

## Social Dashboard – Twitter Headlines

Summary of Twitter data – April to June 2022

Reach (Impressions)

<b>Less users are sharing our content through Q1 2022 vs Q4 2021</b>	<b>1 Scottish Local Government Elections live broadcast</b> <span style="float: right;"><b>11,103</b> <small>Posted 6 May 2022</small></span>
<b>Users visiting our Twitter account dropped 300k vs last quarter</b>	<b>2 Environmental Protection Scotland – less car journeys</b> <span style="float: right;"><b>10,491</b> <small>Posted 16 June 2022</small></span>
<b>Sentiment remains positive &gt; neutral for a second quarter in a row</b>	<b>3 Election – Turnout for Ward 9 Black Isle</b> <span style="float: right;"><b>9,856</b> <small>Posted 6 May 2022</small></span>



The Council is also active in other social media platforms which continue to increase subscribers including Instagram (3,411 followers) and YouTube (711 followers) where there were 21,270 views of content in Q1 representing 1837 hours of viewing with 75 new videos posted.

A full social media performance report is available [here](#)



Designation: Executive Chief Officer Performance & Governance

Date: 20/08/2022

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# PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure Monitoring Report

P&G Appendix 1

**1 April 2021 to 31 March 2022**

	£000 Actual Year To Date	£000 Annual Budget	£000 Year End Variance
<b>BY ACTIVITY</b>			
Members	1,432	1,594	(162)
Performance & Governance Corporate	453	414	39
Performance & Governance Directorate	772	499	273
Emergency Planning	39	49	(10)
Corporate Communications	219	223	(4)
Legal Services	212	295	(83)
Licensing	(454)	(401)	(53)
Democratic Services	642	676	(34)
Elections	406	254	153
Trading Standards	628	675	(47)
Corporate Audit & Performance	686	914	(228)
<b>Total</b>	<b>5,036</b>	<b>5,192</b>	<b>(156)</b>

<b>BY SUBJECTIVE</b>			
Staff Costs	6,093	6,314	(221)
Other Costs	615	214	401
<b>Gross Expenditure</b>	<b>6,708</b>	<b>6,528</b>	<b>180</b>
Grants	(77)	(37)	(40)
Other Income	(1,595)	(1,299)	(296)
<b>Total Income</b>	<b>(1,672)</b>	<b>(1,336)</b>	<b>(336)</b>
	<b>5,036</b>	<b>5,192</b>	<b>(156)</b>

## Notes

1. %age of Annual Expenditure	Mar 21/22	<b>97%</b>
	Mar 20/21	<b>98%</b>

APPENDIX 2

**PERFORMANCE & GOVERNANCE SERVICE Revenue Expenditure  
Monitoring Report**

**1 April 2022 to 31 June 2022**

£000	£000	£000	£000
Actual	Annual	Year End	Year End
Year To Date	Budget	Estimate	Variance

**BY ACTIVITY**

Members	339	1,702	1,732	30
Performance & Governance Corporate	219	404	402	(2)
Performance & Governance Directorate	235	520	562	42
Emergency Planning	(8)	50	50	0
Corporate Communications	69	356	356	(0)
Legal Services	232	314	309	(5)
Licensing	(251)	(509)	(508)	1
Democratic Services	166	683	616	(67)
Elections	341	186	159	(27)
Trading Standards	189	685	664	(21)
Corporate Audit & Performance	213	926	918	(8)
<b>Total</b>	<b>1,744</b>	<b>5,317</b>	<b>5,260</b>	<b>(57)</b>

**BY SUBJECTIVE**

Staff Costs	1,887	6,261	6,352	90
Other Costs	386	545	597	52
<b>Gross Expenditure</b>	<b>2,273</b>	<b>6,806</b>	<b>6,949</b>	<b>142</b>
Grants	0	(37)	(77)	(40)
Other Income	(530)	(1,453)	(1,612)	(159)
<b>Total Income</b>	<b>(530)</b>	<b>(1,490)</b>	<b>(1,689)</b>	<b>(199)</b>
	<b>1,744</b>	<b>5,317</b>	<b>5,260</b>	<b>(57)</b>

**Notes**

1. %age of Annual Expenditure	Jun 22/23	<b>33%</b>
	Jun 21/22	<b>24%</b>

**PERFORMANCE AND GOVERNANCE SERVICES BUDGET 2022/23 - JUNE MONITORING**

	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Outturn	£'000 Year End Variance
<b>BY ACTIVITY</b>												
<b>Members</b>												
Members	1,702	339	1,731	29	(1)	0	0	1	1,702	339	1,732	30
<b>Performance &amp; Governance Corporate</b>												
Performance & Governance Corporate	404	219	401	(2)	0	0	0	0	404	219	402	(2)
<b>Performance &amp; Governance Directorate</b>												
Performance & Governance Directorate	531	235	562	32	(11)	0	0	11	520	235	562	42
<b>Communications &amp; Resilience</b>												
Corporate Communications	367	112	367	1	(10)	(43)	(11)	(1)	356	69	356	(0)
Emergency Planning	75	30	80	5	(26)	(38)	(30)	(4)	50	(8)	50	0
<b>Corporate Governance</b>												
Legal	327	247	434	107	(13)	(15)	(125)	(112)	314	232	309	(5)
Licensing	772	175	817	45	(1,281)	(426)	(1,325)	(44)	(509)	(251)	(508)	1
Democratic Services	732	166	678	(54)	(48)	0	(62)	(14)	683	166	616	(67)
Elections	186	341	160	(27)	0	0	0	0	186	341	159	(27)
Trading Standards	785	196	799	14	(100)	(7)	(135)	(35)	685	189	664	(21)
<b>Corporate Audit &amp; Performance</b>												
Corporate Audit & Performance	926	208	918	(8)	0	0	0	0	926	208	918	(8)
<b>TOTAL</b>	<b>6,806</b>	<b>2,269</b>	<b>6,947</b>	<b>141</b>	<b>(1,490)</b>	<b>(530)</b>	<b>(1,689)</b>	<b>(199)</b>	<b>5,316</b>	<b>1,739</b>	<b>5,260</b>	<b>(57)</b>

## APPENDIX 4

Service Ref	Budget Area	Savings Description	2022/23 £m	Saving RAG
CEO/6	Emergency Planning	Charges income from additional off-site COMAH plan and increase in charging after 3 year agreement	0.002	<b>G</b>
P&G/1	Directorate	Payment of Copyright Licensing fee no longer required due to changing operational practice	0.012	<b>G</b>
P&G/3,4,5,6	Performance and governance- service wide	Restructuring to remove unspent budget- reductions across a range of budgets and subjectives	0.099	<b>G</b>
R&F/8 - Allocation	Finance	Salary sacrifice saving from newly introduced AVC scheme	0.006	<b>G</b>
Corp/2 - Allocation	Managed Print Service (MPS)	Reductions in printing Printing/Photocopying and reduce Multi-Function Devices (MFDs) in offices and schools	0.004	<b>G</b>
Corp/20 - Allocation	Realignment of staffing	Removing unspent budget associated with historic vacancies	0.050	<b>G</b>
Corp/21 - Allocation	Corporate- staffing	Staff alignment, agility and redesign	0.081	<b>G</b>
Corp/23 - Allocation	Corporate- staffing	Recruitment timelines- removal of budget to reflect recruitment process timelines	0.005	<b>G</b>